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Washington State Department of Social & Health Services

Fact Sheet:
Integration Of Medicaid Services To Improve Health Outcomes

This **Fact Sheet** provides an overview of Medicaid integration projects.

DSHS can "leverage" Medicaid resources available for primary, acute, long-term care, mental health and chemical dependency services to slow the progression of illness and disability, improve health outcomes and reduce unnecessary costs.

Population-Based Medicaid Budgeting

Washington State $44.8 billion
DSHS Budget - $15.7 billion
Medicaid Budget $12 billion

64% ($7.7 B)	Aged & Disabled
29% ($3.5 B)	Families and Kids
7% ($0.8 B)	Other Medicaid

Background

Managing the state budget means managing DSHS expenditures. DSHS is 35 percent of the state budget.

Managing DSHS expenditures means managing Medicaid since 78 percent of the DSHS expenditures are for Medicaid services.

Managing the Medicaid budget means managing costs for aged & disabled individuals. Services to these individuals make up 64 percent of Medicaid expenditures. In fact**, aged/disabled Medicaid expenditures are approximately 17 percent of the entire state budget**.

Nationwide, Medicaid primary, acute, LTC, mental health, and developmental disabilities programs are typically managed separately. They have separate budgets and limited coordination and communication among service providers, including state case managers. Services and outcomes for clients are not centrally managed even though the programs often have clients and service providers in common. The result can be a system that is not as client-centered or as efficient as it could be.

DSHS is piloting new approaches to increase coordination across adminstrations. Separate DSHS divisions manage long-term care services, acute care services, and mental health and chemical dependency services. To manage costs, these three divisions are working together on four "up and running" integration projects:

- Washington Medicaid Integration Partnership (WMIP)
- Medicare/Medicaid Integration Project (MMIP)
- Program of All Inclusive Care (PACE)
- Mobility Project

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Integration Of Medicaid Services to Improve Health Outcomes

I believe the integration of health care and related services is our most consumer-friendly response to the budget crisis we are facing. We must manage the Medicaid program as a strategic enterprise focused on clients with complex medical, long-term care and mental health needs. We can create a comprehensive Medicaid benefit package by designing integrated health-care models that are efficient, effective and accountable. We have an imperative to secure the best value for our public expenditures.

Dennis Braddock, DSHS Secretary, November 1, 2002

Washington Medicaid Integration Partnership (WMIP)

In conjunction with a 2003 budget proviso, Secretary Braddock directed DSHS to develop a Washington Medicaid Integration Partnership (WMIP) to slow the progression of illness and disability among Medicaid clients and contain costs. The Aging & Disability Services and Health & Recovery Services Administrations have launched a joint venture to improve the integration of health, long-term care, mental health and chemical dependency services for aged and disabled clients. The goal is to improve health outcomes, while reducing unnecessary expenditures for emergency room and hospital use, prescription drugs, nursing facilities and state hospital placements.

WMIP integrates services throughout the care system, coordinating medical, substance abuse, mental health and long-term care for Medicaid clients in Snohomish County.

Medicare/Medicaid Integration Project (MMIP)

MMIP is a CMS Disease Management Demonstration Program. In the spring of 2004, CMS officially awarded Evercare Premier™, part of United HealthCare Insurance Company, the opportunity to implement this project in Washington State. This project uses disease management interventions to:

- Improve the quality of services furnished to beneficiaries;
- Introduce full prescription drug coverage to encourage compliance with medical instruction; and
- Manage expenditures under Parts A and B of the Medicare program.

In June 2005, this voluntary managed care program became available to seniors age 65 and older, eligible for Medicare and Medicaid, and living in King and Pierce Counties. The number of people projected to enroll in the first of year of this program is estimated to be between 600 and 1000 clients. Data and experience gathered from other states suggests that of those clients, between 200 and 400 will be clients receiving long-term care services. MMIP integrates long-term care and acute care services under a capitated, or fixed payment for Medicaid and Medicare. The goals of this program are to provide better outcomes for clients through comprehensive disease management and to decrease expenditures through the use of an integrated system of care.

Program of All-Inclusive Care for the Elderly (PACE)

The Program of All-Inclusive Care for the Elderly (PACE) is a capitated Medicare/Medicaid payment program that offers the full range of health care services to the frail elderly. In 1986, the Robert Wood Johnson Foundation funded certain states to develop PACE demonstration programs. Washington became one of the original demonstration sites in 1995, providing PACE services through Providence ElderPlace-Seattle. In 2002, CMS awarded ElderPlace permanent status as a PACE provider.

A major goal of PACE is to prevent unnecessary use of hospital and nursing home care. This is accomplished with providing an integrated approach to delivering all medical care, long-term care, mental health, and alcohol and substance abuse treatment services. Unlike the MMIP and WMIP projects, the PACE model uses an adult day center to house the interdisciplinary team and centralize client service delivery.

Mobility Project

The Mobility Project is a joint venture with ADSA and HRSA that has been underway since April 2004. This is a piliot project providing intensive ADSA nurse case management services to Medicaid only clients with diagnoses that impact and impair client mobilty significantly. The goals of this project are to demonstrate how nursing case management can impact both medical expenditures and outcomes for Medicaid clients with care needs related to diagnosis such as quadriplegia, parpalegia, Multiple Sclerosis, or Parkinsons disease. Expenditure data and research literature demonstrates that these clients have higher than average medical expenditures with conditions that could be avoided or reduced in terms of medical cost. The project is scheduled to end March 31, 2006.

Expected Outcomes

These projects will improve health care coordination for enrollees among care providers; integrate funding streams; provide data to guide and evaluate the care model; and provide for better access to services.

These projects will result in people with multiple health care conditions receiving coordinated care; people with no “medical home” get access to care; better outcomes for service recipients; and more efficient use of tax dollars.

Related Research

Recent studies show that improved access to specialized care reduces subsequent medical costs:

A DSHS study demonstrated that chemical dependency treatment for SSI clients saved $252 per client per month in medical costs above and beyond the cost of providing the alcohol/drug treatment.

Texas saved approximately $123 million over two years in a program that coordinated medication and other services.

A DSHS study demonstrated that mental health treatment offset up to 50% of the cost of providing medical care. Psychotropic medication with mental health treatment offset up to 64% of costs.

Next Steps

DSHS will continue to gather data to compare the outcomes for individuals participating in these projects to those receiving Medicaid services through traditional methods.

Such projects to coordinate care for the aged and disabled population in Washington State may be able to control rising Medicaid costs for this population. The traditional approach to managing cost in Medicaid programs has been to reduce benefits or cut eligibility for programs. Medicaid integration is an approach that may better manage costs through coordination of care, without reductions in services or eligibility.

Updated by B. Buckingham

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